OKANAGAN VALLEY
TREE FRUIT AUTHORITY

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ANNUAL REPORT 1990-91

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OKANAGAN VALLEY TREE FRUIT AUTHORITY

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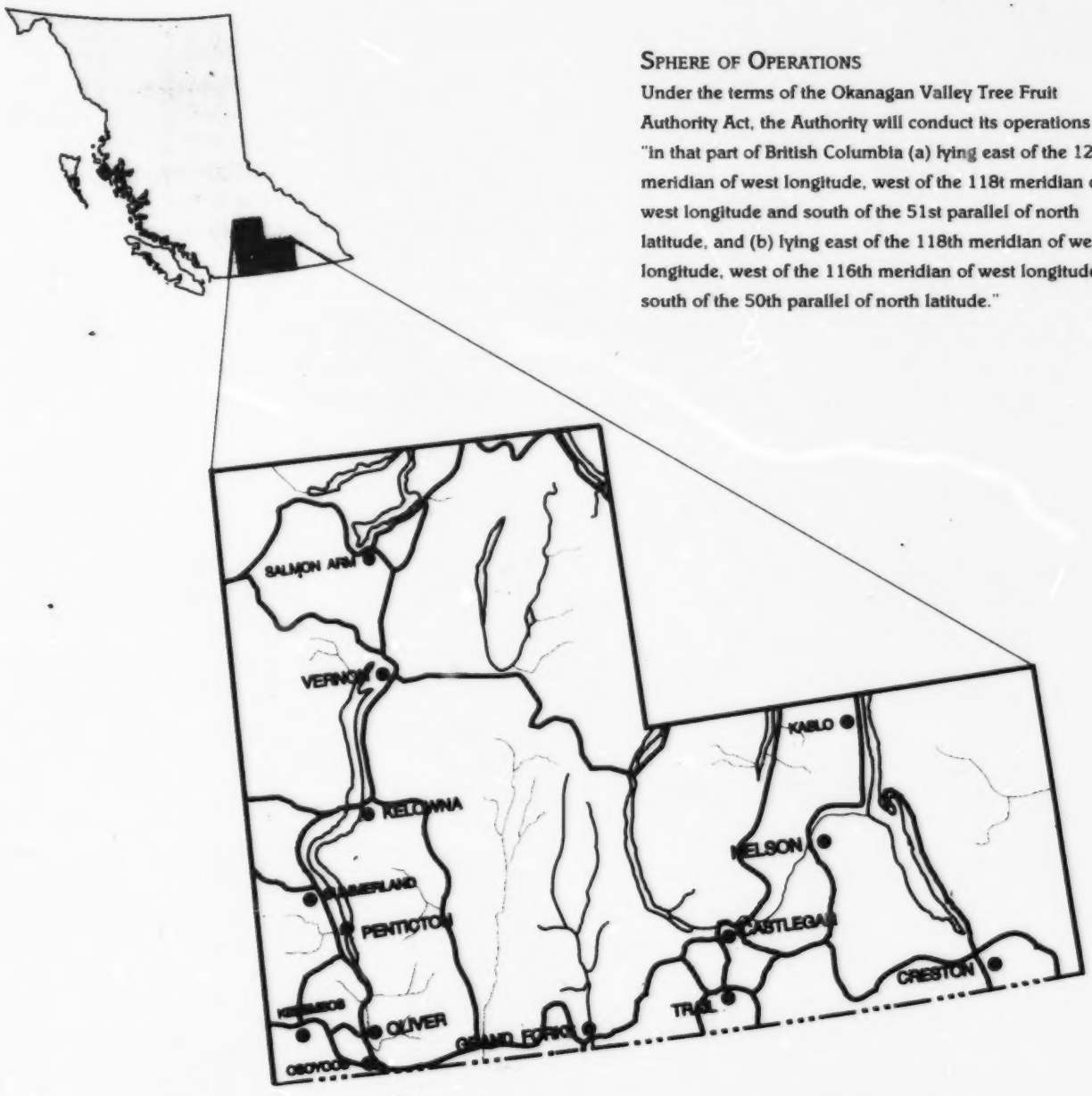
Okanagan Valley Tree Fruit Authority



Sphere of Operations

Under the terms of the Okanagan Valley Tree Fruit Authority Act, the Authority will conduct its operations "in that part of British Columbia (a) lying east of the 120th meridian of west longitude, west of the 118t meridian of west longitude and south of the 51st parallel of north latitude, and (b) lying east of the 118th meridian of west longitude, west of the 116th meridian of west longitude and south of the 50th parallel of north latitude."

Mandate

On July 26, 1990, the Okanagan Valley Tree Fruit Authority Act came into force bringing a new Crown Corporation into existence with a mandate:

To ensure an efficient and coordinated approach to the revitalization and transformation of the Interior tree fruit industry to ensure a strong, dynamic, and competitive tree fruit industry.

Mission Statement

To meet this mandate the Board of Directors has established a mission statement and a corporate vision of the revitalized tree fruit industry by the year 2000:

To enable and encourage fruit growers to renovate their industry to renewed efficiency and profitability.

Corporate Vision

The British Columbia tree fruit industry will be family based, making the best use of its land and resources to produce high-quality products. It will be market responsive, both in growing and processing. Growers will be motivated and equipped to meet the challenges of a rapidly changing marketplace.

Chairman's Report

To the Honourable Larry Chalmers
Minister of Agriculture, Fisheries and Food
Victoria, British Columbia

Sir:
I have the honour of submitting the annual report of the Okanagan Valley Tree Fruit Authority for 1990/91.

The tree fruit industry in British Columbia is at a crossroads. The challenge for the 1990s is to choose the road that will lead to renewed economic viability and to develop means by which growers can take advantage of that choice.

The Okanagan Valley Tree Fruit Authority is a crucial element in this revitalization process. In its first year, it has moved a significant distance towards the goal of fulfilling the priorities and objectives identified at the outset and reaffirmed by the Board of Directors this past spring.

The need for orchard renovation was identified in the Report of the Commission of Inquiry—British Columbia Tree Fruit Industry as a central factor in the industry's decline. In consultation with industry, the Authority is developing long term programs to assist growers with the needed renovation. It has already begun the process with the well-received 1991 replant program, which provided financial assistance to growers.

A second major objective of the OVTFA is the development of an overall long term plan for the tree fruit industry. The Authority's role is to establish the factual bases for revitalization and to provide leadership and coordination to help the industry define fundamental issues. In this first year, among other initiatives, the Authority developed with industry and instituted a comprehensive survey of orchards and orchardists. These, and other measures, will provide the information needed for developing comprehensive and realistic approaches for future programs.

In this initial period of intense effort, the working relationship of the Board of Directors and the senior administration of the OVTFA has been cooperative and productive. We anticipate this will continue in the coming year. Such a positive working relationship represents an essential element in the industry—Authority interaction needed to fulfil the mutual goal of a tree fruit industry with a future.

Robert Dawson
Chairman

President's Report

During its first year of operation, the Okanagan Valley Tree Fruit Authority developed a strong physical, administrative, and policy structure. At the same time, important steps were taken in forging ties with the industry, gathering baseline data, and disseminating information to the industry and the public.

The selection of the Agriculture Canada Research Station in Summerland gives OVTFA staff and Board members ready access to researchers at the Station who are directly involved in tree fruit work. It also places the Authority near the midpoint of its geographical area of responsibility.

The role of the Authority is threefold: to provide programs and services that will assist the tree fruit industry to regain economic viability and a competitive position in world markets; to handle the budgetary and financial management of these programs and services as well as of its own internal operations; and to promote industry and public awareness of the realities of growing and marketing tree fruits.

In all three areas, excellent progress has been made over the first twelve months. Major programs have been launched and are well under way, such as the 1991 replant program and the Orchard Census. Numerous meetings, workshops, and consultative sessions involving industry organizations and agencies (in particular the British Columbia Fruit Growers Association) have provided invaluable information on the state of the industry to the Authority and industry people. A firm financial base has been negotiated with the Provincial government for the coming year, and a strong working relationship has been developed with the Ministry of Agriculture, Fisheries and Food.

Finally, there has been extensive communication to growers and the public on the situation of the tree fruit industry and the work of the Authority by means of press releases to the local media, stories, and a newsletter.

I wish to pay particular tribute to the staff of the Authority for their enthusiasm, dedication, and flexibility in this development period, and to thank the members of the Board of Directors who have devoted many hours and much thought to the development of policies and programs. The outcome of the cooperative relationship within and between these groups has been a dynamic and productive beginning to our venture.

J.T.R. (Ross) Husdon
President/Chief Executive Officer

Board of Directors

The Okanagan Valley Tree Fruit Authority's Board of Directors is comprised of individuals who have first-hand knowledge of the intricacies of the tree fruit industry and who share a common belief in its future. Their abilities and experience have helped determine the strategies of the organization and will ensure the continued sensitive response to the needs of the tree fruit industry.

Robert Dawson, Chairman

Lionel Desharnais

James Kidston

Graem Nelson

Lorne Seitz

Richard Stewart

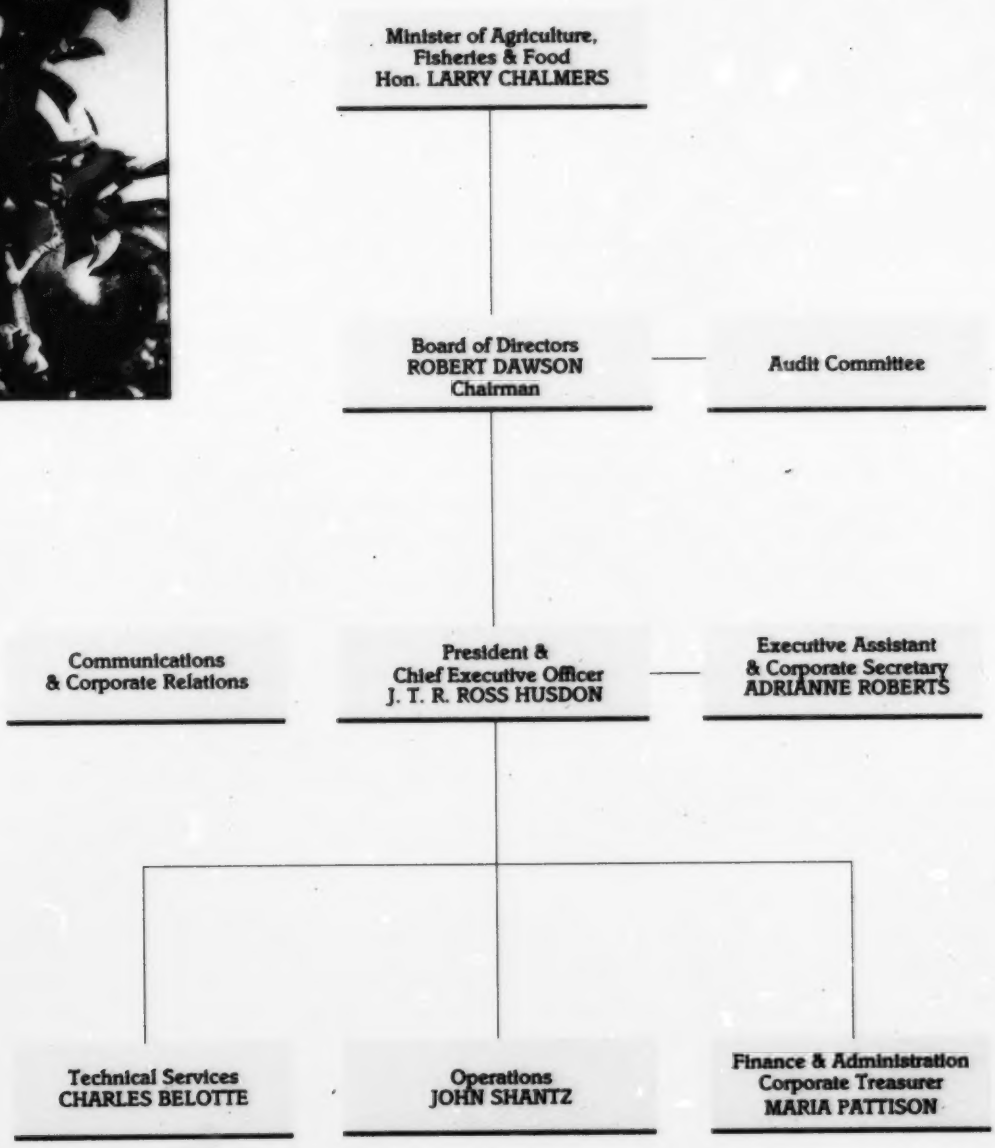
William Truscott

Christopher Turton

Sierra Pear

■ Corporate Organization

Empire



Strategic Priorities

The Board of Directors has established the following strategic priorities to guide the Authority in working with industry to achieve this Corporate Vision:

- Orchard Renovation
- Transitional Renovation Financing
- Education and Advisory Services
- Industry Development
- Land Management
- Industry Marketing Strategy
- Communications and Community Relations
- Environmental Protection and Enhancement
- New Grower Entry

Main Accomplishments for 1990/91

During 1990-91 the Okanagan Valley Tree Fruit Authority (OVTFA) focused its efforts on behalf of the industry in three main areas: assistance to growers wishing to renovate their orchards; development of an overall, long-term plan for Interior tree fruit growers, packinghouses, and marketers; and organization of internal policies, systems, and procedures for the Authority itself. These three areas form the necessary base for future operations and long-term success.

Orchard Renovation

Orchards in the Interior must be replanted with varieties of tree fruits which are most likely to be in demand in the near future. This is essential to the long-term viability and profitability of the industry. Consequently, from its beginning, the Authority has made it an important objective to provide leadership and co-ordination for a widespread orchard renovation program in which the emphasis is on high-density planting of newer and already popular varieties.

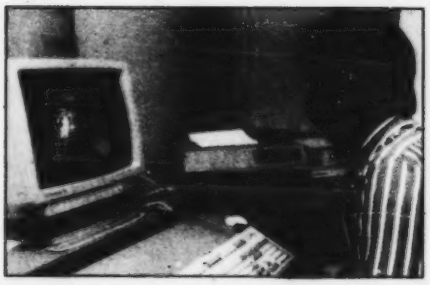
An important part of this type of orchard renovation is enhancing the management skills of growers. The Authority has included this upgrading of expertise as part of its program.

The main accomplishment of the Authority during 1990/91 in orchard renovation was to develop and introduce a replant program in the spring of 1991. This was a continuation of and complement to the expiring ARDSA program.

An Orchard Replant Advisory Committee was formed whose members include growers, field service representatives, horticulturists, researchers, and OVTFA representatives to set up policy and procedures for replant assistance. The program attracted over 200 growers and resulted in the replanting of approximately 500 acres.

As a complementary aspect of orchard renovation, the Authority developed a number of tools to help growers who were thinking of replanting. These included a revised budget package for establishing new plantings, an Orchard Management Planning package, and an interactive computer software package for projecting cash flows for replanted orchards.

In part because of the need for modified management techniques for new varieties in high-density plantings, the Authority formed an Education Advisory Committee to develop policies and programs for enhancing the education and skills of growers. This Committee is made up of people from OVTFA and industry associations, growers, field service representatives, horticulturists, and educators. Over the late winter and early spring, the Committee conducted surveys designed to find out from growers what they feel is needed in education and further training.



Industry Development Plan

At the heart of the Industry Development Plan is an emphasis on more aggressive and creative marketing schemes which have the best opportunity to increase returns to growers during the orchard renovation period. As with orchard renovation, the Authority has made it one of its most important aims to provide the leadership and coordination needed to prepare a development plan. This plan will increase returns in the short term and enhance the industry's position in world markets over the long haul.

In 1990/91, a number of important steps were taken on the road to a long-term strategy for industry development and marketing. The first was to prepare, in consultation with growers, researchers, and government representatives, profiles of the state of each of the six tree fruit sectors: apples, pears, cherries, peaches, apricots and prunes/plums. These profiles set out the current situation for each sector, the strengths and weaknesses, and proposed measures for improvements. They will be used as the basis for industry-wide consultations on how to best achieve the desired changes.

A second key step in this process was to carry out a comprehensive survey of orchards and orchardists. This census will give the Authority much-needed, up-to-date data on growers and on their plantings: size, varieties, and age of trees. At the same time, information is also being assembled, in conjunction with the Ministry of Lands and Parks, on soils, land capacity, climate, and other data. The orchard survey data and this bio-physical material will be integrated into a comprehensive database.

The orchard survey will be completed by the end of 1991 and the database is scheduled to be in operation by the same time. The latter will be useful in both the orchard replant program and the industry development plan. It will also support other programs such as SIR and land management planning.

During this first year, the Authority developed policies on funding for applied research and technology transfer. An industry committee was established to consider requests for funding of such projects.

As an initial move in the marketing field, and at the request of industry representatives, the OVTFA set up a 1-800 telephone line for market information. Prices for fruit in B.C. and elsewhere are updated daily for the market message.

Administration & Corporate Relations

In the Authority's first period of existence, it was a practical necessity to organize its day-to-day operations. Adequate policies, systems, and procedures had to be put in place to ensure that its mandate, set forth in the Okanagan Valley Tree Fruit Authority Act, would be fulfilled and to support other work it is to carry out. In administrative and corporate relations, the objectives of the Authority's management have been to:

- lead the organization in the strategic planning needed to accomplish its mission;
- ensure the efficient, economic, and effective use of resources;
- minimize the spending of public funds;
- protect corporate resources from loss or abuse and ensure that the Authority's actions are communicated effectively to government, industry and the public.

Communications and community relations have been important aspects of this organizational strategy.

The Authority has established a number of systems for policy and procedures that guide its operations. The Corporate Plan gives details on specific activities and on budgets. The Policy and Procedures Manual sets out specific methods of handling financial and administrative activities. The Memorandum of Understanding with the Ministry of Agriculture, Fisheries and Food lays out the mutual responsibilities of the Ministry and the OVTFA.

In establishing offices at the Agriculture Canada Research Station in Summerland, the Authority made possible direct access to researchers who play an important role in the revitalizing of the tree fruit industry. The location is also the mid-point of the geographical area covered by the Authority's mandate.

Over this initial period of operation, the Authority has acquired the necessary equipment and software for word processing, data processing, and geographical information storage, manipulation, and retrieval. In this complex task, input and assistance were provided by staff of the Treasury Board and the Office of Information and Technology.

As the basis for effective communications with all those affected by the Authority and the tree fruit industry, a communications and community relations program was developed. At the same time, a media consultant was hired and a formal Communications Plan drawn up.

Gala

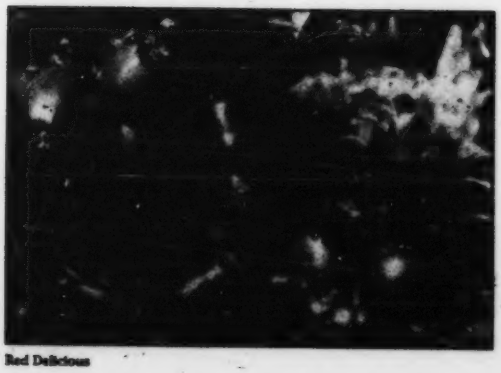
Shalia Apricot

Financial Statement

As provided for by Section 11 (6), Okanagan Valley Tree Fruit Authority Act, the Authority is required to provide the Minister with a report of its operations for the preceding fiscal year, and a financial statement of accounts for that year. As required by Section 11(9), the report and financial statements shall be presented to the Legislature.

Readers are referred, therefore, to the Public Accounts of British Columbia, 1990/91 for detailed information relative to the financial statement of the Authority.

Lapin Cherry



Red Delicious